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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,
Plaintiff,
v.
ROWLAND MARCUS ANDRADE,
Defendant.

) CASE NO. CR. 20-00249 RS
)
) UNITED STATES' NOTICE OF EXPERT
) TESTIMONY BY FBI FORENSIC ACCOUNTANT
) THERESA CHIU
)
) Trial Date; February 10, 2025
)
) Court: Hon. Richard Seeborg, Courtroom 3, 17th Fl.

The United States hereby discloses, pursuant to Federal Rule of Criminal Procedure 16(a)(1)(G) and Federal Rule of Evidence 702, that it may proffer FBI Forensic Accountant Theresa Chiu as an expert witness at trial. Pursuant to Federal Rule of Criminal Procedure 16(a)(1)(G), the United States hereby identifies Ms. Chiu as an expert and describes her opinions and the bases and reasons for those opinions, as well as her qualifications, below.

Qualifications

Ms. Chiu's testimony will be based on her experience, education, and training. Ms. Chiu is a

1 Certified Public Accountant and a Certified Fraud Examiner, and she is currently employed as a Forensic
2 Accountant by the FBI. Ms. Chiu has over 14 years of financial accounting experience, and she has
3 worked as an FBI Forensic Accountant since 2019. In her role with the FBI, she has experience in
4 reviewing, compiling, and examining financial data, reporting her findings, and preparing summary charts.
5 Ms. Chiu has focused on investigating fraud, public corruption, and other complex financial litigation
6 matters, with a specific focus on the forensic accounting portion of such investigations. Her resume has
7 been provided to defense counsel. Ms. Chiu has no published papers from the last ten years. She has not
8 testified previously as an expert witness; however, she has testified as a lay witness in the following trials:

9 (a) *United States v. Attila Colar*, 21-cr-00163-HSG (N.D. Cal.)
10 (b) *United States v. Harlan Kelly*, 21-cr-00402-RS (N.D. Cal.)

11 Anticipated Testimony

12 Ms. Chiu will testify at trial regarding the flow of money between financial accounts held for the
13 benefit of defendant Andrade and his companies, and she will testify regarding her classification of the
14 sources and disposition of funds that flowed through accounts under the control and/or authority of
15 Rowland Marcus Andrade. She will testify about how she classified funds as having come from investors
16 in Andrade's companies and how she classified funds spent by Andrade and the companies and accounts
17 under his direction and control. Much of Ms. Chiu's anticipated testimony on this topic is reflected in
18 Ms. Chiu's Report, which has been provided to defense counsel. Ms. Chiu's report explains her analysis
19 of the flow of funds through Andrade's accounts.

20 Ms. Chiu will provide her analysis of the flow of funds into and out of accounts in the name of or
21 controlled by Rowland Marcus Andrade, Block Bits Capital LLC, David Salmon & Associates, Inc
22 IOLTA Trust Account, Law Office of Neil M Sunkin A Professional Corporation Client Trust Account
23 for NAC Foundation, NAC Foundation, LLC, NAC Payroll Services Inc., Fintech Fund Family LP,.
24 She will also provide her analysis of the source of funds deposited into those accounts. She will testify
25 that funds deposited into the above-referenced bank accounts came from AML Bitcoin, AtenCoin, NAC
26 Foundation, and/or CrossVerify investors. She will use forensic accounting tracing principles to trace
27 the flow of investor funds through bank accounts held by or for the benefit of Andrade and/or his
28 companies. Ms. Chiu will also provide her analysis of the source of funds used to purchase real and

1 personal property by defendant Andrade.

2 Ms. Chiu will provide her analysis of the flow of funds from AML Bitcoin investors and
3 CrossVerify investors to accounts controlled by and/or authority of defendant Andrade the NAC
4 Foundation, or the Fintech Family Fund. Ms. Chiu will provide her analysis of the more than \$6.8
5 million of funds deposited into accounts controlled by and/or authority of defendant Andrade, Japheth
6 Dillman, Block Bits Capital, the NAC Foundation, the Fintech Family Fund, or the NAC Payroll
7 Services from purchasers of AML Bitcoin tokens and CrossVerify shares during 2017 and 2018.

8 Ms. Chiu will trace how Andrade and his companies spent investors' money, including Andrade
9 spending more than \$1.1 million on personal expenses during 2018. Ms. Chiu will also testify about
10 tracing the transfer of \$1.07 million among Andrade's and/or his business's accounts to his personal
11 bank account in March and April 2018, and she will testify that she analyzed financial records showing
12 that Andrade used the \$1.0 million to purchase two pieces of real estate in Texas in 2018.

13 Ms. Chiu will testify that she used an approved forensic accounting tracing method to show that
14 Rowland Marcus Andrade used investor funds to purchase a cashier's check for \$600,000 dated March
15 7, 2018 drawn from an Wells Fargo account in the name of the Fintech Fund Family Limited Partnership
16 and that he deposited the cashier's check into a Woodforest National Bank account in the name of
17 Andrade and his wife the same day.

18 Ms. Chiu will testify that as part of her financial analysis she applied principles and methods that
19 are commonly applied in the accounting field to trace comingled funds. These methods include the Lowest
20 Intermediate Balance Rule (LIBR), and the Last-In, First-Out (LIFO) and First-In, First-Out (FIFO)
21 methods. LIFO is a method used trace funds that identifies the most recent deposit as the source of funds
22 for subsequent withdrawals. FIFO is a method used to trace funds that identifies the oldest existing deposit
23 as the source of funds for withdrawals. As older deposits are exhausted by withdrawals, the next oldest
24 deposit becomes the source of subsequent withdrawals. LIBR is a method used to trace funds that assumes
25 non-illicit funds will first be disbursed. The illicit fund will then be disturbed when the balance of non-
26 illicit fund is reduced to zero. Ms. Chiu will testify LIFO, FIFO, and LIBR are alternative methods for
27 tracing comingled funds from their source, through the account, and to the debits or withdrawals on the
28

1 account. Ms. Chiu will testify that she used a commonly applied accounting tracing method to trace
2 investor funds through accounts controlled by and/or in the discretion of Rowland Marcus Andrade.

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4 Pursuant to Federal Rule of Criminal Procedure 16(a)(1)(G)(v), I approve this disclosure of my
5 expected testimony.

6 *Theresa Chiu*
7

8 Theresa Chiu
9 Forensic Analyst
10 FBI

11 DATED: December 23, 2024

12 Respectfully submitted,

13 ISMAIL J. RAMSEY
14 United States Attorney

15
16 /s/
17 CHRISTIAAN HIGHSIMITH
18 DAVID WARD
19 Assistant United States Attorneys

20 MATTHEW CHOU
21 Special Assistant United States Attorney